

FY 2006
Federal Grants Monitoring Checklist
 September 2005

School/Organization:

Business Manager:

1. Internal Controls (to be filled out for the organization awarded federal grant/s)			
Requirement	Yes	No	Comments
<p>1.1. Expenditure Approval – All expenditures made under a grant are approved by the program manager or someone who is familiar with the approved grant application and with the cost principles (A-87). The program manager approves only those expenditures that are: for activities approved in the application and are allowable under the cost principles.</p> <p>1.2 Controls are in place that insure that grant funds are available sufficient to cover expenditures.</p>			
<p>1.3 The person/s responsible for assigning costs to each grant is knowledgeable of and insures that expenditures are consistent with Federal Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i>, and the Federal Cost Principles appropriate for the Organization: Circular A-122 – Non-Profit Organizations Circular A-87 – Schools/Local Governments Circular A-21- Higher Education.</p>			
<p>1.4 Accounting Record - There is an accounting record for each federal grant that the LEA receives. Expenditures are posted to the accounting record as they occur. The accounting record tracks expenditures against the approved budget.</p> <p>1.5 Post-award changes in a grant budget have been approved by the Vermont Department of Education and the budget has been adjusted in the accounting record.</p>			
<p>1.6 SDE 1.1 - An SDE 1.1 is filed for each grant within 10 days after the end of a quarter (15 days – last quarter). The SDE 1.1 accurately reports the amount of expenditures, program income, and the cash on hand and makes a reasonable request for those funds needed for the next quarter. The account record that was the basis for preparing the SDE 1.1 is on file with a copy of the SDE 1.1. A final report of expenditures is filed within 90 days after the end of the grant period. Program income is reported and reduces the amount of federal funds requested .</p>			

Requirement	Yes	No	Comments
1.7 Financial Record - Documentation sufficient to determine the nature of grant expenditures and their allowability is kept as a part of the financial record.			
1.8 Sub-grants – If the grant recipient passes funds on to another organization, it is clear that it sub-grants these funds. 1.8.1 A sub-grant award is on file that clearly identifies the activities supported by the sub-grant, a budget, the assurances/ requirements that accompany federal funds, and payment provisions. 1.8.2 The sub-recipient monitors its sub-grantee for compliance with the conditions of the sub-grant award. 1.8.3 If the sub-grant is of such an amount that a Single Audit would be required, there is notification of this in the sub-grant award. 1.8.4 If a Single Audit was required of a sub-grantee in a prior year, it has been received, reviewed, and acted on.			
1.9 Equipment Inventory - Controls are in place to protect assets acquired with federal funds. 1.9.1 Property/ equipment records are maintained that include a description, serial number, source, and acquisition cost and date. 1.9.2 An inventory, up-dated within the last two years, exists of equipment purchased with federal funds that includes the property record, its location, condition, and, if it was disposed of, the sale price or its fair market value. 1.9.3 Control systems are in place to prevent loss, damage, or theft. 1.9.4 Adequate maintenance procedures keep the property in good condition.			
Requirement	Yes	No	Comments
1.13 Indirect Costs: If indirect costs are charged to a grant to cover central office costs, the SU utilizes an indirect cost rate approved by the Vermont Department of Education.			
1.14 Records Retention – Financial records, supporting documents, statistical records, and all other records pertinent to an award are retained for a period of three years after the submission of the final expenditure report was filed at the end of the year or the record was used in response to an audit finding.			

Grant Review

School/Organization:

Grant Title:

Program Manager:

Monitor:

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2. Grant Requirements (to be filled out for each grant being monitored)			
Monitoring Procedure - In 2.1, the monitor examines the accounting record for the grant.			
Requirement	Yes	No	Comments
2.1. Grant Account – There is an accounting record that accurately tracks expenditures assigned to the federal grant. 2.1.1 The plan/application approved by the Department of Education is on file and is utilized to determine allowable expenditures under the grant. 2.1.2 An account record tracks expenditures against the budget in the approved plan/application. 2.1.3 Expenditures are posted after the application was filed in “substantially approvable” form. 2.1.4 A record is kept of the status of the account record at the time that an SDE 1.1. is filed. The SDE 1.1 accurately reflects the expenditures to date and the cash on hand and makes reasonable estimate of future needs. 2.1.5 Expenditures are posted concurrent with the funded activities and funds are drawn down in timely and effective manner.			
Requirement	Yes	No	Comments
2.2. Salaries – Salaries of all personnel working on grant objectives are charged as direct costs to the grant appropriately and are approved in the local plan. Appropriate documentation exists for all salaries and wages charged to a federal grant. 2.2.1. When an employee works solely on the grant , a certification signed by the employee or supervisor is on file that attests to this. 2.2.2. When an employee has multiple responsibilities funded by multiple sources of funds, then documentation of time charged to the sources must: <ul style="list-style-type: none"> • reflect after-the-fact distribution, • account for the total activity of the employee, • be prepared at least monthly, and • be signed by the employee. 2.2.3. Benefits of employees charged to the grant are charged in the same proportion as their salaries. 2.2.4. The salaries paid for employees under the grant are the same as those paid for other work that they do and/or for similar work of other employees.			

<p>2.3. Contracts - Contracts are utilized for the procurement of services and are approved in the local plan.</p> <p>2.3.1. A contract for professional services is issued when it is necessary or less expensive to go outside the organization for the service.</p> <p>2.3.2. A contract contains a description of the service, an estimate of time required, rate of compensation, and termination provisions.</p> <p>2.3.3. A contract management system is in place that demonstrates that services were monitored and that services have been adequately rendered.</p> <p>2.3.4. Efforts are made to solicit price or rate quotations from an adequate number of sources unless the service is only available from a single source.</p> <p>2.3.5. Records are kept that include the reason for the contract, the selection process, the contract itself, invoices for payments, and, at completion, a statement that services have been adequately rendered.</p>			
Requirement	Yes	No	Comments
<p>2.4. Equipment / Property- Equipment / Property purchase, as a direct or indirect cost, is charged to the grant in an allowable fashion and is approved in the local plan.</p> <p>2.4.1. Special purpose equipment (an article costing more than \$5,000) that is required to address specific grant objectives and that has been purchased with grant funds has been purchased in accordance with organizational policy insuring competitive prices.</p> <p>2.4.2. When equipment is purchased with federal funds, records show that local policy was followed in the selection of the vendor and describe the reason for the selection of the vendor.</p> <p>2.4.3. Grant funds are not used to purchase general purpose equipment (articles costing more than \$5,000 and used for the general functions of the organization) such as office equipment and furnishings, telephone networks, information technology equipment and systems, air conditioning, reproduction and printing equipment and motor vehicles unless it is specifically identified as an allowable expenditure or there is prior approval from the awarding agency..</p> <p>2.4.4. Grant funds are not used to purchase land or buildings or improve land or buildings unless there is prior approval from the federal awarding agency.</p>			

Requirement	Yes	No	Comments
2.5. Property Use – Property use, when charged to a grant as a direct or indirect cost, is charged in an allowable fashion and is approved in the local plan. 2.5.1. When use of property (buildings and equipment) is an allowable cost for the grant, such use is charged as : <ul style="list-style-type: none"> • depreciation – purchase price minus land – depreciated over a stated number of years • a use allowance – 2% of purchase price • actual rent charged that is competitive with prevailing rates. 			
Requirement	Yes	No	Comments:
2.6. Supplies and Materials- Supplies and materials are charged to the grant in allowable fashion and are approved in the local plan. 2.6.1 Only supplies (including articles of equipment less than \$5000) and materials actually used for the grant objectives are charged as direct costs. 2.6.2 Supplies and materials are charged at their actual prices net any applicable credits. 2.6.3 Withdrawals from general stores are charged using the organization's method of pricing inventory withdrawals.			
Requirement	Yes	No	Comments
2.7 Services – Only allowable services supporting grant objectives are charged as direct costs of the grant and are approved in the local plan. 2.7.1 Costs of training, meetings, speakers, and conferences are charged to a grant when there is evidence that the content and personnel involved support grant objectives. Documentation includes the purpose and content of events and the names of participants. 2.7.2 The costs for travel, meals , and other incidental costs conform with cost principles and the organization's policies limiting these costs. Documentation includes the content of the event to which these costs are incidental and participants. 2.7.3 Travel costs, including transportation, lodging, subsistence, and other costs associated with travel status, are charged to the grant when travel is essential for carrying out grant objectives and when costs do not exceed charges allowed by the organization in its normal operations. 2.7.4 Only memberships, subscriptions , and professional activities related to grant objectives are charged to the grant. 2.7.5 Only costs incurred for communications , including telephone, postage, messenger,			

<p>electronic or computer transmittal services that are attached to the work of the grant are charged to the grant. These costs are identified and charged directly or, In the absence of a clear method to identify these costs specifically, a reasonable method of allocating a share of these costs is in place and consistently applied.</p> <p>2.7.6 Maintenance, operations, and repairs, including the cost of utilities, insurance, janitorial services, upkeep of grounds, normal repairs and alterations are charged to the grant only if they are not prohibited by law, are reasonably allocated, are not already covered in charges for space, and do not add value to the facilities.</p> <p>2.7.7 The only advertising costs charged to the grant are those connected to the recruitment of personnel, the procurement of goods and services necessary to carry out grant objectives, and those necessary to inform the public of the grant activities.</p> <p>2.7.8 Patent, copyright, and royalties fees are charged to the grant only if they are integral to grant performance.</p> <p>2.7.9 Publication and printing costs are charged directly to the grant only if they are integral to specific grant objectives.</p>			
Monitoring Procedure: The monitor may select specific outlays to review if they seem that they may include costs identified in 2.8.			
Requirement	Yes	No	Comments
<p>2.8 Unallowable Costs- Costs identified as unallowable by federal circular, statute or regulation are not charged to the grant.</p> <p>2.8.1 Costs of entertainment, including amusement, diversion, and social activities and any costs associated with such costs (such as tickets to events, meals, lodging, rentals, and gratuities) are not charged to the grant.</p> <p>2.8.2. The costs of alcoholic beverages are not charged to the grant.</p> <p>2.8.3. Bad debts, including losses arising from uncollectible accounts, related collection fees, and related legal costs are not charged to the grant.</p> <p>2.8.4. Advertising and public relations costs that solely promote the organization or a function unrelated to the grant and that are not essential for grant performance are not charged to the grant. Unallowable advertising and marketing costs include costs of meetings, conventions, and other events; costs of displays, demonstrations, and exhibits; costs of salaries and facilities associated with such events; and costs of promotional items.</p> <p>2.8.5. Costs of fundraising regardless of the purpose of the funds are not charged to the grant.</p>			

2.8.6. Costs of selling or marketing any products or services of the organization are not charged to the grant.			
2.8.7. Costs incurred for interest on borrowed capital are not generally charged to the grant unless such interest is associated with financing construction approved by the federal granting authority.			
2.8.8. No personal costs or benefits are charged to the grant.			
2.9 Under federal grants that include such a provision, federal funds supplement and do not supplant local funds . These federal grants include: Title I, Part A; Migrant Education; Safe and Drug Free Schools; 21 st Century Community Learning Centers, Bilingual, Ed Tech; Title III, Part A; Title II, Part A; Perkins.			
Requirement	Yes	No	Comments
<p>2.10 FNS Funding – If the grant is Food and Nutrition funding, a school also meets these requirements.</p> <p>2.10.1 - A school has a School Food Authority that has a separate account for costs associated with food and nutrition programs.</p> <p>2.10.2 - A school that participates in the School Lunch program does not have a net cash balance in excess of three months average expenditures.</p> <p>2.10.3 - All program income is used for the costs associated with the food program.</p> <p>2.10.4 The School Food Authority/organization exercises internal control of meal counts and reporting by annually conducting an on-site monitoring of meal count and reporting procedures.</p> <p>2.10.5 A report exists that identifies the number of students eligible for free and reduced meals and the total number of students enrolled. Procedures insure that individual meal counts do not exceed these numbers.</p> <p>2.10.6 Procurement procedures avoid any conflict of interest and insure competitive pricing.</p> <p>2.11 All records are in place to establish eligibility , meal counts, and quality of meals. Records are kept for at least three years after the final submission for payment for a fiscal year.</p> <p>2.12 If a contract is issued for food services, documentation shows that the vendor was selected after following local major procurement policies.</p>			